

108TH CONGRESS
2D SESSION

H. R. 4096

To amend the Internal Revenue Code of 1986 to expand the incentives
for renewal communities.

IN THE HOUSE OF REPRESENTATIVES

MARCH 31, 2004

Mr. SENSENBRENNER (for himself and Mr. MEEHAN) introduced the following
bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to expand
the incentives for renewal communities.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as “Renewal Communities Ex-
5 pansion and Technical Improvements Act of 2004”.

6 **SEC. 2. EXPANSION OF TAX INCENTIVES FOR RENEWAL**
7 **COMMUNITIES.**

8 (a) EMPLOYMENT CREDIT ALLOWED FOR EMPLOY-
9 EES RESIDING IN ANY RENEWAL COMMUNITY.—Sub-
10 section (b) of section 1400H of the Internal Revenue Code

1 of 1986 (relating to modification) is amended by striking
 2 “and” at the end of paragraph (1), by striking the period
 3 at the end of paragraph (2) and inserting “, and”, and
 4 by inserting after paragraph (2) the following new para-
 5 graph:

6 “(3) subsection (d)(1)(B) thereof shall be ap-
 7 plied by substituting ‘within any’ for ‘within such’.”.

8 (b) PUBLIC SERVICE CAP EXEMPTION.—

9 (1) IN GENERAL.—Part III of subchapter X of
 10 chapter 1 of such Code (relating to additional incen-
 11 tives) is amended by adding at the end the following
 12 new section:

13 **“SEC. 1400K. PUBLIC SERVICE CAP EXEMPTION.**

14 “In the case of an area designated as a renewal com-
 15 munity which was an enterprise community, the same ex-
 16 emption from the percentage limitation under section
 17 105(a)(8) of the Housing and Community Development
 18 Act of 1974 on the use of community development block
 19 grants for provision of public services that applied to such
 20 enterprise community shall apply to the renewal commu-
 21 nity.”.

22 (2) CLERICAL AMENDMENT.—The table of sec-
 23 tions for Part III of subchapter X of chapter 1 of
 24 such Code is amended by adding at the end the fol-
 25 lowing new item:

“Sec. 1400K. Public service cap exemption.”.

1 (c) EXPANSION OF RENEWAL COMMUNITY TO IN-
2 CLUDE ADJACENT AREAS OF HIGH ECONOMIC DISTRESS
3 AND CERTAIN NONCONTIGUOUS PARCELS.—Subsection
4 (a) of section 1400E of such Code is amended by adding
5 at the end the following new paragraph:

6 “(6) EXPANSION OF DESIGNATED AREAS.—

7 “(A) IN GENERAL.—The Secretary of
8 Housing and Urban Development may expand
9 the boundaries of any area designated as a re-
10 newal community to include—

11 “(i) any census tract or census block
12 group adjacent to the renewal community
13 which the Secretary of Housing and Urban
14 Development determines is an area of high
15 economic distress,

16 “(ii) any census tract or census block
17 group adjacent to the renewal community
18 if not less than 50 percent of such tract or
19 group is non-residential, or

20 “(iii) any census tract or census block
21 group which is noncontiguous to the re-
22 newal community (determined without re-
23 gard to this paragraph) if not less than 50
24 percent of such tract or group is non-resi-
25 dential.

1 “(B) LIMITATION ON NUMBER OF PAR-
2 CELS.—Subparagraph (A)(iii) shall not apply to
3 more than 5 parcels with respect to any renewal
4 community.

5 “(C) PERIOD FOR WHICH DESIGNATION IS
6 IN EFFECT.—Any expansion of a renewal com-
7 munity under this paragraph shall be effective
8 on the date designated by the Secretary of
9 Housing and Urban Development and shall con-
10 tinue in effect thereafter as part of such re-
11 newal community.”.

12 (d) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to years beginning after the date
14 of the enactment of this Act.

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